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national farmers union

Submission

to the

Commission on the Costs of Transporting Grain by Rail

Regina, Saskatchewan

June 21, 1976

Presented by Alfred Moore

NFU No. 2

NATIONAL FARMERS UNION

REBUTTAL SUBMISSION

TO THE COMMISSION ON THE COSTS

OF

TRANSPORTING GRAIN BY RAIL

JUNE 21, 1976

1. We again appreciate the opportunity to put on the record the National Farmers Union's recommendations to be considered by the Commission on the Costs of Transporting Grain by Rail in this Rebuttal Hearing.

2. The National Farmers Union initial submission outlined a number of areas of concern to our organization. The policy position in which the context of the submission was made states that transportation must be a key instrument for regional, economic and social development, functional to Canada's national policy. We must develop an inter-related transportation system in total, including all modes (waterways, railways, highways, pipelines and airlines), and that the various modes of transportation must ensure rational development of all regions of the country. The best use of energy, capital investment and facilities, as well as the employment resources in the transportation industry, in the most efficient way.

3. We submit the rail system that has been in operation prior to the beginning of the century and through various Acts of Parliament has a responsibility to carry out providing a service to communities.

4. In providing that service, we believe that the transportation system must be publicly owned and operate on the basis of service to communities in the movement of goods and people and not on the basis of investors needs or to fill the pocketbooks of shareholders of private companies.

5. We believe that through the efforts of that type of transportation system, duplication can be removed within the system, misallocation of resources and in many instances, inferior service can be removed.

6. It is also our concern that the rail facilities adequately service all regions of the country, that motive power and rolling stock must not only be maintained but upgraded and expanded to a level which will meet transportation requirements, both as to kind and quantity and that it should provide that service on an on-going basis and expanded where needed and operate on a low cost basis.

7. Our concerns are that the transportation system make more efficient use of equipment, travel the most direct route, remove the duplication of facilities and cost savings can accrue to the people of Canada from that type of system.

8. There are a number of areas still of concern to the National Farmers Union; i) The terms of reference as set out for this Commission by the Federal Government, in fact, are too narrow to give a complete cost accounting of rail transportation across Canada. When in fact, statutory grain accounts for 25% of the ton miles in western Canada and 15.9% of ton miles for the total system, we believe that costs are weighed against statutory revenue.

9. In Dr. Quirin's study of the cost of capital on page 1820 of the transcript, we quote Dr. Quirin as follows; "I do not believe, first of all, that the granters of corporate charters would permit CP Rail to separate itself into two portions in that fashion." This indicates that the rail system must operate as one unit, therefore, costs and revenues should be studied on a global basis.

10. We again wish to emphasize the fact that as a result of the grain growing industry in the prairie region and as a result of historical grants in developing the rail system, there are spin-off effects for the railways - grain being not the only commodity related to agriculture. The input commodities that go into the production of grain within the prairie region also generate revenue to the railways. Revenue is also generated as a result of the historical grants and add to the development of the corporate structures.

11. Therefore, a global analysis of all economic activity that accrues to the railways as a result of the grain haul is essential.

12. While the railways have put forward through their co-ordinator, Mr. W.B. Saunders, their estimated costs and revenues are as follows;

RAILWAY FIGURES (R-1)

	CN.	CP	NAR	TOTAL
TOTAL REVENUE	$42,049	$46,093	$1,278	$ 89,420
TOTAL COST	$210,771	$175,448	$4,919	$391,138
TOTAL DEFICIT	$168,722	$129,355	$3,641	$301,718
% Revenue to Cost	20%	26.3%	26%	22.9%

13. Mr. Saunders continues on pages 16 and 17 of R-1 and states that "under the nature of cost finding, that the first and most basic point is that there is no such thing as "the cost". Anyone who works intensively with the problem of cost finding in any complex industry will recognize the validity of this point.

14. Different answers may be arrived at by different analysts but I believe any major differences are likely to stem not so much from differences in detail, but stem from differences in concept."

15. And under questioning, Mr. Saunders stated that those figures were his best estimation on the basis of the procedures that he had laid out.

16. We submit these figures are estimates and include a number of items that were, in fact, not experienced by the railways in the year 1974.

17. We submit that included in the estimated figures are a cost of capital which is worked out by Dr. Quirin on the basis sof 24.89% for CP and CN, but as well, CN have used 23.5%.

18. When the marketplace dictates the cost of capital based on the needs of the investor or based on a rate that will be high enough so that grain can compete for the investment capital, then costs increase. We do not accept that concept and we believe that the cost of capital should not exceed a level higher than what it, in fact, costs the railways to acquire the capital.

19. We have acquired information from six different lending institutions regarding their rates on savings and loans (included in appendix #2), the rates that they quoted us for the year 1974 and from our calculations, the average for savings is 8.64% return to the investor and the cost of loans is 10.08% on the various loans that we were quoted.

20. Our position is that while these figures, in fact, represent small amounts and in some cases up to $200,000 to independent businesses, we feel that the acquisition of capital by the railways would have less risk to it and therefore, would be under that percentage figure due to the largeness of their operation.

21. We feel that the risk aspect that has been included in cost of capital is only a figure of investors requirements and due to the fact that grain holds a somewhat stable volume in shipments out of country elevators, our calculations from the Canadian Wheat Board Report (appendix #1) show the average of the past sixteen years to be rail shipments of 711,424,060 bushels, and the producer marketings have held a somewhat stable flow into the grain handling system. Those figures indicate 711,565,625 bushels on the average over the past sixteen years.

22. The average that is moved out into export over the past sixteen years has been 556,258,125 bushels.

23. We believe that on the average, this is a resemblance of stability in the movement of the commodity by rail and while that commodity remains captive to rail due to the fact that the area of production is located one thousand miles from the centre to port facilities, no water to compete with, thereby making the movement by rail the only economic way to move grain.

24. We therefore believe the cost of capital to be one of the major items included in the cost figure that the Commission has to deal with and therefore, should be looked at on the basis of providing transportation services rather than providing the investors needs.

25. We submit another item included in the cost figures put forward by the railways; - station costs which include - investment in buildings - depreciation - cost of capital - operating expnses and wages.

26. We submit that these costs be excluded from grain transportation as was put forward in cross-examination at the initial hearings that stations do not provide a function to grain movement at this time and, therefore, should not be included in the cost. Only the costs of the servo-centres and customer service centres that deal with that portion of costs attributable to grain be charged in.

27. We believe stations that are both on the solely related and non-solely related lines that do not provide a function to grain movement but are providing a function to truck transportation should be, in fact, then charged to truck transportation and not be included in the costs of moving grain off those lines. Other facilities located on the prairie branch line network, such as stock pens, etc., that have no grain function, be removed from the cost figure.

28. We ask the Commission to remove such costs that are not directly attributable to grain. Also included in the costing estimate are the government-assigned hopper cars, both of CN and CP. We believe that these costs must be accounted for separately in the final analysis.

29. One other area of concern is the inclusion of lease equipment in the costing exercise and while a number of lease cars reported by CP being 1,362 out of the total number of cars of 160,431 carloads, we believe that they have included the leased cars as if they were CP cars in the costing exercise and therefore, only the lease cost should be included for both railways where it is appropriate.

30. In 1974, the Federal Government entered into an equal cost-sharing arrangement to repair 2,400 boxcars with both CN and CP Rail to a cost of $3.4 million, and when the question was asked of Mr. Pringle in cross-examination at the initial hearing, he stated the item was expensed, rather than capitalized, therefore, we question whether it was included on the expense side and if in fact it was, it should not have been, due to the fact that it was Federal Government funds and not an expense to the railways.

31. Also included are rehabilitation costs or deferred maintenance cost as has been referred to in the submissions of the two railways. These costs that have been included are the results "from the railways point of view", a shortage of finances to be able to carry out the needed maintenance over the past number of years or since the 1950's. We therefore submit to the Commission that while we do not dispute that the rail system is badly in need of rehabilitation to allow it to provide a service that is required to move not only grain but all commodities, that this portion of costs that are charged in there now have been as a direct result of management's decision to not employ what capital has been made available to them through branch-line subsidies and not employ that in a rehabilitation program, but to look at more lucrative investments in other fields, therefore, those costs have not been experienced in 1974 and therefore must not be included.

32. We would submit to your Commission that the need to rehabilitate the railways into the future to provide services to communities will become a necessary part of cost to the country as a whole and therefore, in the future, under a publicly owned transportation system, they should be proceeded with, but not included in this exercise of costing the movement of statutory grain in the year 1974.

33. We believe that a number of areas, had management not chosen to make the decisions they made, they could have proceeded with normal maintenance such as;

34. Snow fencing that has protected the prairie branch-line system in a number of areas over the years has been torn down and sold by the railway. One case in point is the Rockglen-Kildeer line where snow fences have been torn down and sold to people in the area. We believe that that has an effect in increasing maintenance.

35. Another area is the clearance of brush on the roadway to protect the line from the clogging of snow in the winter time, therefore, adding extra costs for the removal of snow with the outdated equipment for the removal of snow.

36. Such as push plows in this technological age in which we live do, in fact, require additional motive power to keep the lines cleared, therefore, adding extra costs.

37. We believe, and as reported to the Technical Committee meeting in Montreal, that there is an area which allows for the upgrading of up to 1,000 feet of track per year and allows that to be charged to expenses and due to the branch-line subsidy program, therefore, would have been returned to the railways as revenue, had there been forward planning in management's decisions.

38. Another area dealing with roadway maintenance is the area of track maintenance people and our belief that a reduction in the number of track maintenance people has been an on-going decision by the railways and therefore, as you reduce the number of track maintenance people, you in effect, reduce the amount of track maintenance that can be done.

39. Other areas of added costs are as stated in our previous submission, the extra haul miles from Meadow Lake - the extra haul miles from Manyberries - the extra miles in the Calgary cross haul - the extra miles required to move grain to Churchill due to the fact that only one railroad is moving grain into Churchill and has to move it longer distances to get it there.

40. The other areas are the Moose Jaw to Kerrobert line where as Mr. Shepp for CP Rail said in cross-examination, that trains run out of Moose Jaw to Outlook through to Kerrobert, and then in return, haul the cars back through to Moose Jaw, thereby, these number of areas are railway management operating decisions, and should be supported in your costing exercise as such.

41. One other area that Mr. Shepp referred to is the number of cars that are returned loaded and he admitted that was an error and therefore, those types of things should also not be included in the cost.

42. We believe one other area is the fact of the corporate structure of CP Ltd., and it deals with the lease income generated from elevator site rentals as put forward in our submission and according to our calculations, CN had received in 1974, $194,526.17 from elevator and terminal lease arrangements and our questions were , "What revenue would accrue to their grain operations if CPR applied the same business principle"? The figures put forward in cross-examination were that CP had not included $115,115.00 as CP lease rentals and as well, land that was held in CP's name was being leased by elevator companies and also, land under the name of Marathon Realty is being leased by elevator companies.

43. The figure for lease rentals to Marathon Realty is $127,970.00, thereby a total of revenue generated from total lease arrangements of CP and Marathon are $243,085.00.

44. As well, Marathon Realty acts as an agent for CP Rail and in total, charges a managerial fee plus a 26% overhead which in total, amounts to $1,152,000 for the overall network of CP Rail, (page 1018 of the transcript Volume 6).

45. We believe that managerial fee charged for the work is, in fact, adding a portion to the expense side and the fact that Marathon Realty income does not generate to grain, reduced the revenue side. Therefore, we request that your Commission take this into consideration in your final analysis.

46. Depreciation as well, is adding a burden of costs in the total picture, as has been eluded to in cross-examination.

47. CN have indicated that they did not, in fact, start depreciation accounting until 1956 and therefore, increasing their net to gross radio. This, in fact, will show a higher book value than had the value been recorded from day one.

48. They then, in fact, for this exercise, used replacement costs for 1974 and then used CP's net to gross ratio to get their depreciation costs. This , in fact, is charging for something not purchased.

49. CP, I believe, used book depreciation and then inflated it to allow for the inflation costs of the inflation spiral.

50. It is our concern that we think that for depreciation costs that the correct cost needs to be correctly linked to the life of the assets that are being depreciated. For example, if a rail car is to last for twenty years and is valued at $10,000, that it be depreciated over that period of time.

51. We believe that the use of depreciation is to return to the investor over the life of the product, the amount invested in the initial product. We believe that this should be the principle of the use of the charging towards costing a figure for depreciation, and only the net book value be the figure.

52. On page 2574 of the transcript, a question was put forward by the Commissioner as follows; "If for some reason the statutory rates were removed, you could at least in concept, see no problem with a maximum level set high enough to make the railways haul under a certain set of circumstances and then permitting a bargaining below that level with the shippers and the railways for reduced rates when they change the circumstances."

53. A response to that question is that would move the rate setting by the railways into a field of flexible tariffs or flexible rates whereby under the maximum, railways would be in a position to bargain with the elevator companies to set rates at different levels at different shipping points and on different rail-lines that move different tons of commodity which would, in fact, set up an economic climate that would change the total handling system in the prairie region as the railways choose. To set it under different levels of rates, would create producers, through a different economic climate, additional hauling costs in moving to a new point.

54. Our organization is totally opposed to a flexible tariff approach, both in transportation and in grain handling and therefore, believe that the Crows Nest Rate must remain as it provides an equitable rate amongst producers and in fact, gives some assurance to the level of price when the commodity is moving into the international or export market.

55. This then leads us into a rebuttal on Dr. Heaver's paper which states that grain will move into the export market even at 5 to 6 times the cost and he uses the U.S. situation as an example.

56. We submit that while grain may in fact move into the export market even though freight rates are increased, the situation arises that while grain continues to move into the international market and is priced at a competitive level in the international market, the cost then comes off of that figure and in fact, the return to the producer is reduced.

57. Therefore, it is the producers price that is being reduced and that is why the position of the National Farmers Union is to retain the Crows Nest Rate, the "at and east rates" and the over-the-bridge rates to Sudbury, so that it does not reduce the realized net price to the producer.

58. Dr. Heaver also is saying that grain can bear more of the constant cost or that the ability to pay is now there in the price of grain, so you should charge what the traffic will bear. The railways are also operating on Dr. Heaver's theory of grains ability to pay. However, when the railways were approached during the depression to vary their rates in accordance with grains ability to pay, they declined to do so.

59. We again quote from Mr. Saunder's summary statement, R1A, page 5, where he is talking about "all users of the railway contributing as much as possible

to the constant cost of the rail operation as a whole. This is particularly true for grain which accounts for one quarter of railway volume in western Canada and which can indeed bear its share sof the constant costs".

60. To increase rail rates on the basis of the railway's cost to revenue figures, rail rates would have to increase 4.37 times.

61. From Dinsmore, Saskatchewan, the Crows Nest Rate or Statutory Rate is 22¢/cwt. to Churchill; 23¢/cwt. to Thunder Bay and 26¢/cwt. to Vancouver.

62. As an example, per bushel, the present freight rate is for wheat 13¢/bu.; oats 7¢ per bu.; rye 12¢/bu.; barley 11¢ per bu.; flax 12¢ per bu.; and rape 13¢ per bu.

63. To increase that rate 4.37 times would increase it per bushel on wheat from 13¢ to 57¢; on oats from 7¢ to 31¢; on rye 12¢ to 52¢; barley 11¢ to 48¢; flax 12¢ to 52¢; and rape 13¢ to 57¢.

64. When one, in fact, looks at what has happened over a period of time and assesses the realized price to the producer on the basis of Statistics Canada figures, (appendix #3), one finds that over the period of time from 1961-62 crop year to 1973-74 crop year, the price of wheat in 1960-61 was $1.75; the price in 1973-74 was $4.60.

65. When one averages the price on the basis of 13 years previous, one finds that the average for wheat was $1.83 per bushel, for oats 68¢/bu.; barley $1.04/bu.; rye $1.17/bu.; mixed grains 90¢/bu.; flax $3.37.bu.; and rape $2.56/bu.

66. Wheat has increased 8¢ per bushel over the 1961-62 price per on the average; oats 4¢/bu.; barley -1¢/bu.; rye 8¢/bu.; mixed grains 9¢/bu.; flax 1¢/bu.; and rape 81¢/bu.

67. On the basis of farm input price index (appendix #4) for western Canada, in 1961 the farm input price index was equal to 100 and in 1974 it was 190.7. It had increased by 90.7%.

68. Wheat had increased by 5%, oats 6%, barley -1%; rye 7%, mixed grains 11%, flax 3/10 of 1%, and rape 46%.

69. Therefore, with the input costs increasing tremendously over the average increase in the price, one must then contend that grain would not, in fact, be able to bear a further increase in rail rates.

70. One in fact takes the crop year 1973-74, looks at the final realized price as reported by Statistics Canada for wheat - $4.60 - and then the average price received for 1974-75 through the Canadian Wheat Board (appendix #6) was $4.11 per bushel of the grain sold, one can see that there is a drop in realized net income to the producer and off of that

$4.11 per bushel in 1974-75, one must subtract again using Dinsmore as the delivery point, 23¢ per bushel for freight and elevation and record keeping charges, which, therefore, makes the $4.11 turn out to $3.88.

71. Again, to quote figures from a sample study (appendix #5) done by the National Farmers Union in 1968, sample results were for wheat $2.63/bu.; oats $1.43/bu.; barley $1.66/bu.; rye $4.17/bu.; and flax $5.58/bu.; and during that period of time, compared with returns stated by Statistics Canada of a $1.62 for wheat; 66¢ for oats; 85¢ for barley; $3.06 for flax and $1.94 for rape. One then must make the calculation that on a long term, farm input costs do not, in fact, allow the user-pay concept to transpire at the farm gate.

72. Again the position put forward by the National Farmers Union is one in which we believe the way to correct the area is to develop a publicly owned transportation system which will, in fact, allow all modes of transportation to work totally integrated with one another instead of competing with each other, creating a low cost system.

73. We believe to create that publicly owned transportation system that will operate under national policy - one in which on the principle of regional development can proceed, in which the distribution of population in the country does not allow for a transportation network that is economic everywhere, therefore to proceed with that in mind, one would in fact, bring the CP Ltd. network under the establishment of a crown corporation and amalgamate the CP Rail enterprise with CN, operate it under single management. The crown corporation would continue to operate CP Ltd. on the basis of public ownership. Profits generating from all segments of CP Ltd. would, in fact, generate itself into the Federal treasury and the Federal treasury (Government of Canada) would upgrade the rail transportation system to provide a continued and expanded service to communities whereby commodities could return to moving by rail and in turn, make the best use of energy resources, the best use of capital and facilities, the best use of human resources and could, in fact, in turn, provide a low cost transportation network to all users of the services and have the capacity to handle an ever growing volume of freight and other cargo.

74. We request that the Commission on the Costs of Transporting Grain by Rail take into consideration in the final report, the areas that we have put forward, as we believe those important to the true cost picture of rail transportation, and we look forward to again supporting our statement at the Rebuttal Hearings in Regina.

75. All of which is respectfully submitted by:

THE NATIONAL FARMERS UNION

CERTIFICATE OF SERVICE

N.F.U. #2

We hereby certify that we have mailed by first class mail a copy of the foregoing statement to all parties of record shown on the Commission's list dated March 19, 1976, except H.E. Spencer of International Minerals.

Dated this 14th day of June, 1976, at Regina, Saskatchewan.

Alfred Moore

Alfred Moore
National Farmers Union

APPENDIX #1

CANADIAN WHEAT BOARD REPORT

Volume of Grain 1960-1975

YEAR	PRODUCED (000 bus)	MARKETED (000 bus)	RAIL SHIPPED COUNTRY ELEVATORS	GRAIN & GRAIN PRODUCTS EXPORTS (bus.)
1960	970.7	519,694	527,992	367,283
1961	524.9	555,277	585,595	428,235
1962	1,057.8	418,273	510,674	428,172
1963	1,260.8	672,349	546,620	394,474
1964	984.4	743,137	779,529	685,304
1965	1,173.4	675,561	644,616	481,992
1966	1,402.5	769,493	815,160	680,044
1967	1,047.2	835,420	813,953	619,512
1968	1,229.1	609,004	553,627	411,750
1969	1,341.6	583,224	540,120	367,495
1970	1,108.5	660,742	657,231	485,704
1971	1,505.8	785,297	815,910	706,433
1972	1,329.8	952,249	1,020,899	825,396
1973	1,376.5	993,105	959,894	831,883
1974	1,123.6	877,844	833,720	607,222
1975	1,346.0	734,384	777,245	579,231
erage	(18,722,600,000) ÷ 16 =) 1,170,162,500)	(11,385,050,000) (÷ 16 =) (711,565,625)	(11,382,785,000) (÷ 16 =) (711,424,060)	(8,900,130,000) (÷16=556,258,125)

Source: 1974-75 Canadian Wheat Board Report
Tables III - IV - V - XI

APPENDIX #2

FINANCE RATES

1974 (Avg.)

		Saving			Loan
Royal Bank of Canada	-	8.45%		-	10.54%
			Independent Business up to $200,000.		9.71%
Bank of Canada				-	8.65%
Bank of Commerce	-	8.45%		-	10.57%
Term deposit over 6 yrs.	-	8.58%			
Bank of Montreal	-	8.45%	a) Prime Lending	-	10.7%
			b) Mortgage	-	10.65%
			c) Farm Improvement		
			Land	-	9.13%
			Other	-	9%
Toronto Dominion				-	10.7%
Sherwood Credit Union 5 yr. term	-	9.25%	First mortgage	-	11.13%
Total Average		8.64%			10.08%

APPENDIX #3

STATISTICS CANADA REALIZED PRICE

CROP YEAR	WHEAT	OATS	BARLEY	RYE	MIXED GRAINS	FLAX	RAPE
61-62	1.75	.64	1.05	1.09	.81	3.36	1.75
62-63	1.67	.59	.92	1.07	.79	3.09	2.05
63-64	1.75	.55	.95	1.20	.75	2.95	2.50
64-65	1.60	.63	1.02	1.03	.79	2.93	2.75
65-66	1.70	.69	1.04	1.04	.81	2.72	2.40
66-67	1.77	.68	1.05	1.08	.82	2.73	2.45
67-68	1.62	.66	.85	1.06	.85	3.06	1.94
68-69	1.34	.49	.78	1.02	.82	2.90	1.84
69-70	1.29	.53	.67	.85	.68	2.57	2.25
70-71	1.45	.53	.79	.86	.71	2.19	2.35
71-72	1.35	.52	.66	.80	.70	2.20	2.15
72-73	1.88	.89	1.23	1.50	.94	3.98	3.22
73-74	4.60	1.49	2.52	2.55	2.25	9.16	5.69
13 yr. avg.	1.83	.68	1.04	1.17	.90	3.37	2.56
	A	B	C	D	E	F	G

- On average of 13 years, increases or decreases were:

A - Wheat 8¢ per bus. = 5%
B - Oats 4¢ " " = 6%
C - Barley 1¢ " " = -1%
D - Rye 8¢ " " = 7%
E - Mixed Grain 9¢/bu = 11%
F - Flax 1¢ per bu. = 3/10 of 1%
G - Rape 81¢ " " = 46%

APPENDIX #4

FARM INPUT PRICE INDEX

1961 = 100%

Western Canada 1975 4th Quarter

1975 = 218.8%

	1961		1975
Land & Farm bldg. index	100	-	234
Farm machinery & motor vehicles	100	-	187.4
Hired farm labour	100	-	316.1
Other materials & services	100	-	229.4

Index Figures

1961	=	100%
1973	=	162.9%
1974	=	190.7%
1975	=	218.8%

APPENDIX #5

N.F.U. 1968 SURVEY
COST OF PRODUCTION

SAMPLE RESULTS

RM's 350 - 12 - 256 - 151 - 213 - 318

	WHEAT	OATS	BARLEY	RYE	FLAX
RM #350	3.07 (17)	1.64 (5)	2.08 (7)	5.80 (1)	5.94 (3)
RM #12	2.41 (3)	2.01 (1)	1.50 (1)		
RM #256	2.41 (10)	.92 (3)	1.41 (7)		
RM #151	3.05 (15)	1.85 (9)	1.55 (2)		5.22 (2)
RM #213	2.40 (6)	1.11 (3)	1.76 (5)	2.53 (2)	
RM #318	2.43 (9)	1.03 (2)	1.68 (4)		
(6 RM's)	15.77÷6	8.56÷6	9.98÷6	8.33÷2	11.16÷2
	= $2.63	= $1.43	= $1.66	= $4.17	= $5.58
	60 surveys	23 surveys	26 surveys	3 surveys	5 surveys

AREA SAMPLES

Kerrobert - NW   Rocanville - SE

Rockglen - S   Saltcoats - E

Lucky Lake - Central Sask.   Herschel - W

APPENDIX #6

1974 - 75

Average price per bushel for Canadian Wheat Board wheat;

#1 CWRS	=	67,300,000 bushels x 4.47		=	$300,831,000.00
#2 CWRS	=	69,500,000 bushels x 4.30		=	$298,850,000.00
#3 CWRS	=	94,600,000 bushels x 4.26		=	$402,996,000.00
#3 CU	=	110,000,000 bushels x 3.64		=	$400,400,000.00
		341,400,000 bushels x 4.11		=	$1,403,077,000.00

Average price $4.11 per bushel

32% of total graded #3 CU

28% of total graded #3CWRS

20% of total graded #2CWRS

20% of total graded #1CWRS